

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1681 – HB 1660

February 6, 2014

SUMMARY OF BILL: Establishes a voucher program in the Department of Labor and Workforce Development (DLWD) to provide payment, not to exceed \$75 per person, for state approved testing costs for adult education students. Requires voucher applicants to qualify for payment by achieving official practice test minimum score requirements and meeting income guidelines as established by DLWD. Authorizes the Commissioner of DLWD to promulgate rules and regulations.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$599,400

Assumptions:

- DLWD estimates 15,000 people will take the exam each year.
- Official practice test minimum score requirement is 75 percent.
- The number of individuals achieving the minimum test score is estimated to be 11,250 (15,000 x 75%) each year.
- DLWD estimates that 71.04 percent of the individuals achieving the minimum test score will meet established income requirements.
- The number of vouchers that will be authorized is estimated to be 7,992 (11,250 x 71.04%) each year.
- DLWD indicates additional appropriations from the General Fund will be required to fund this bill.
- The recurring increase in state expenditures from the state General Fund is estimated to be \$599,400 (7,992 voucher recipients x \$75 voucher).
- Based on information provided by DLWD, any increase in state expenditures for the department to process the additional vouchers is considered not significant and can be accommodated within existing resources without an increased appropriation or a reduced reversion.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/rnc